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News Release

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Bloomington man indicted for defrauding \$2.5 million from investors

MINNEAPOLIS— A 57-year-old Bloomington man was indicted Oct. 30 by a federal grand jury for defrauding investors of more than \$2.5 million.

Gregory Marion Hewitt was charged with 11 counts of securities fraud and five counts of wire fraud in an alleged scheme to defraud potential investors, by falsely telling investors that he would invest their money in securities. According to the indictment, beginning by at least 1998, Hewitt represented that he was an investment advisor and told people he would invest their funds in guaranteed and safe investments with generous rates of return.

The indictment further alleges that Hewitt did not invest the investor's money in securities as promised, but diverted the funds to his own use, including to purchase home improvements, meals, clothing, hotel stays, air travel and sporting equipment. Hewitt continued to practice this scheme through September 2007.

The securities Hewitt offered for sale were not properly registered with the state regulatory agencies, and Hewitt was not licensed to sell securities. The indictment also stated that the State of Minnesota had issued an administrative order prohibiting Hewitt from selling securities without a license and from selling unregistered securities.

When investors requested the return of their investments, Hewitt said their money was not available for various reasons. He sometimes provided them with insufficient funds checks or failed to return the money.

If convicted, Hewitt faces a potential maximum penalty of 20 years in federal prison and a \$1 million fine on the 11 counts of securities fraud. He faces an additional maximum penalty of five years on the five counts of wire fraud. All sentences are determined by a federal district court judge.

This case is the result of an investigation by the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorney John R. Marti.

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.